



Monthly Revenue Release

Agency of Administration
May 8, 2020

Contact: Susanne Young
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Montpelier, VT - Secretary of Administration Susanne Young releases Vermont's revenue results for April 2020, reflecting the State revenue impact of global COVID-19 pandemic. Collections in all three major revenue sources – General Fund, Transportation Fund, and Education Fund, were significantly lower than their respective monthly targets.

Revenue collections for the month of April 2020 have been compiled. April is the first full month of revenue collections since a State of Emergency was declared by Governor Scott on March 13, 2020, and the subsequent mitigation “Stay Home Stay Safe” Order was issued on March 24, 2020 to slow and suppress the spread of COVID-19. April revenues collected were predictably and dramatically under the consensus forecast for the month.

General Fund revenues collected for the month totaled \$106.54 million, or -\$140.90 million (-56.94%) below their monthly target. In particular, the largest factor in the underperformance was the extension of the federal and state filing deadlines for personal income taxes from April 15 to July 15, 2020. April is typically the largest collections month of the year. The Tax Department reports that 39,000 fewer tax returns were filed in April 2020 compared to April 2019. All major General Fund revenue sources performed below their expectations for the month.

Additionally, the deferrals granted for COVID-19 impacted taxpayers in the bar, restaurant, lodging and retail businesses are reflected in Meals And Rooms Tax collected, which are down -\$6.8 million versus April expectations in the General Fund and -\$2.4 million in the Education Fund. Sales and Use Tax collections were \$5.1 million below the April consensus expectations for the Education Fund as well.

“These results are not unexpected in light of the extension of filing deadlines and deferral of payments,” said Agency of Administration Secretary Young. “A recent risk assessment by the state and legislative economists projected that of the \$191 million of taxes deferred from the general fund in fiscal 2020, \$143 million will ultimately be collected in the next fiscal year, while \$48 million may be lost permanently. That estimate did not take into account the most recent actions taken by the Governor to re-open certain sectors of the economy in the coming weeks and months. If recent steps announced are implemented successfully by not increasing public health concerns, then that assessment will likely change and May revenues could improve compared to April.”

Year-to-date, General Fund revenues are -\$100.59 million (-7.41%) below their target. Secretary Young noted: “The State was very fortunate to have experienced strong fiscal performance prior to the COVID-19 pandemic and entered this period with healthy reserves and a predicted surplus, factors that will help lessen the blow dealt by this national emergency.”

The Transportation Fund was -\$5.89 million, or -23.58%, below its target for the month, bringing in \$19.11 million. Year-to-date, Transportation Fund revenues are -\$7.44 million (-3.26%) below expectations. In particular, motor vehicle purchase and use tax revenues and motor vehicle fee revenues performed below expectations.

The Education Fund was -\$10.09 million, or -20.97%, below its monthly target, having collected \$38.01 million for the month and was -\$11.23 million, or -2.41%, below year-to-date expectations. All state-wide revenue sources attributed to this fund performed below expectations.

Note: Adjusting for redirection of certain healthcare-related taxes under Act 6 of 2019 and redistribution of the meals and rooms tax under Act 76 of 2019, for comparison purposes only, in the accompanying General Fund tables, the year-to-date revenues for April 2020 represent changes of -7.98%, -2.51%, and +3.49% for the General Fund, Transportation Fund, and Education Fund, respectively, from the same period in FY 2019.

[Monthly and Year-to-Date results continue on page 2.]

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State of Vermont Revenue, by Major Fund

vs. Consensus Revenue Forecast Target

Month: April
FY: 2020

General Fund By Major Element (In Millions)*

Tax Component	Month			
	Target	Revenue	\$ Change	% Change
Personal Income	184.39	63.31	-121.09	-65.67%
Corporate	17.38	5.02	-12.36	-71.10%
Meals & Room ⁽¹⁾	10.84	4.01	-6.84	-63.05%
Insurance Premium	0.54	0.98	0.44	82.24%
Inheritance & Estate	1.63	0.95	-0.68	-41.68%
Real Prop. Transfer	1.01	0.91	-0.10	-9.75%
State Health Care Taxes ⁽²⁾	24.45	24.17	-0.28	-1.16%
Other	7.19	7.19	0.00	0.06%
Total	247.44	106.54	-140.90	-56.94%

Tax Component	Fiscal YTD			
	Target	Revenue	\$ Change	% Change
Personal Income	763.83	649.36	-114.47	-14.99%
Corporate	91.04	115.70	24.66	27.08%
Meals & Room ⁽¹⁾	118.25	108.08	-10.17	-8.60%
Insurance Premium	48.09	49.36	1.27	2.63%
Inheritance & Estate	17.88	14.78	-3.10	-17.35%
Real Prop. Transfer	10.94	11.04	0.09	0.83%
State Health Care Taxes ⁽²⁾	233.95	239.17	5.22	2.23%
Other	74.23	70.14	-4.09	-5.51%
Total	1358.22	1257.63	-100.59	-7.41%

Tax Component	Prior Fiscal YTD Restated (1&2)		
	Revenue	\$ Change	% Change
Personal Income	747.72	-98.36	-13.15%
Corporate	115.61	0.09	0.08%
Meals & Room ⁽¹⁾	111.89	-3.81	-3.41%
Insurance Premium	47.57	1.79	3.76%
Inheritance & Estate	11.70	3.08	26.37%
Real Prop. Transfer	10.10	0.94	9.27%
State Health Care Taxes ⁽²⁾	230.63	8.54	3.70%
Other	91.52	-21.38	-23.36%
Total	1366.74	-109.11	-7.98%

*Differences due to rounding

Transportation Fund By Major Element (In Millions)*

Tax Component	Month			
	Target	Revenue	\$ Change	% Change
Gasoline	6.14	6.55	0.40	6.52%
Diesel Fuel	1.36	1.41	0.06	4.19%
MV Purchase & Use	6.62	3.16	-3.46	-52.30%
Motor Vehicle Fees	8.79	6.89	-1.90	-21.65%
Other	2.09	1.10	-0.99	-47.23%
Total	25.00	19.11	-5.89	-23.58%

Tax Component	Fiscal YTD			
	Target	Revenue	\$ Change	% Change
Gasoline	65.22	63.14	-2.08	-3.19%
Diesel Fuel	15.75	15.42	-0.33	-2.11%
MV Purchase & Use	59.90	58.08	-1.83	-3.05%
Motor Vehicle Fees	68.55	66.63	-1.92	-2.80%
Other	19.08	17.80	-1.28	-6.70%
Total	228.51	221.07	-7.44	-3.26%

Tax Component	Prior Fiscal YTD		
	Revenue	\$ Change	% Change
Gasoline	65.46	-2.31	-3.54%
Diesel Fuel	15.53	-0.12	-0.74%
MV Purchase & Use	58.15	-0.08	-0.13%
Motor Vehicle Fees	68.27	-1.64	-2.41%
Other	19.35	-1.55	-8.00%
Total	226.77	-5.70	-2.51%

Note:

TIB Fuel Fees/Gasoline	1.06	1.12	0.06	5.52%
TIB Fuel Fees/Diesel	0.15	0.15	0.00	1.04%

*Differences due to rounding

Education Fund By Major Element (In Millions)*

Non-Property Tax Component	Month			
	Target	Revenue	\$ Change	% Change
Sales & Use	38.20	33.07	-5.14	-13.45%
Meals & Room	3.88	1.45	-2.42	-62.56%
MV Purchase & Use	3.31	1.58	-1.73	-52.30%
Lottery Transfer	2.71	1.80	-0.91	-33.47%
Investment Income	0.00	0.11	0.11	2467.06%
Total	48.10	38.01	-10.09	-20.97%

Non-Property Tax Component	Fiscal YTD			
	Target	Revenue	\$ Change	% Change
Sales & Use	372.21	366.48	-5.73	-1.54%
Meals & Room	41.48	38.00	-3.47	-8.37%
MV Purchase & Use	29.95	29.04	-0.91	-3.05%
Lottery Transfer	21.71	20.42	-1.29	-5.95%
Investment Income	0.64	0.82	0.18	27.34%
Total	465.99	454.76	-11.23	-2.41%

Non-Property Tax Component	Prior Fiscal YTD Restated (1&2)		
	Revenue	\$ Change	% Change
Sales & Use	348.13	18.36	5.27%
Meals & Room	39.44	-1.44	-3.64%
MV Purchase & Use	29.08	-0.04	-0.13%
Lottery Transfer	22.19	-1.77	-7.98%
Investment Income	0.58	0.24	41.90%
Total	439.41	15.35	3.49%

*Differences due to rounding

(1) FY19 Meals and Rooms is restated here to reflect a 6% reduction (per Act 76) to provide a basis for comparison with fiscal year 2020 receipts.

(2) FY19 healthcare revenue is restated here to reflect a monthly distribution throughout fiscal year 2019 to provide a basis for comparison with fiscal year 2020 receipts.

Comparative Statement of Revenues
General Fund
As of April 30, 2020

	<u>Total to Date</u> <u>Last Year</u>	<u>Total to Date</u> <u>This Year</u>	<u>% of Change</u>
Taxes			
Personal Income Tax	747,720,930	649,362,240	-13.2%
Sales & Use Tax	0	0	0.0%
Corporate Income Tax	115,605,960	115,695,980	0.1%
Meals & Rooms Tax	118,314,295	108,081,533	-8.6%
Liquor & Wine Tax	16,907,847	2,816,311	-83.3%
Insurance Premium	47,571,939	49,358,419	3.8%
Telephone Gross Receipts	212,634	214,380	0.8%
Telephone Property Tax	3,627,824	2,596,470	-28.4%
Beverage Tax	6,418,803	6,063,483	-5.5%
Electric Generating	0	0	0.0%
Inheritance & Estate Tax	11,696,819	14,781,477	26.4%
Real Property Transfer Tax	10,099,279	11,035,421	9.3%
Bank Franchise Tax	10,409,571	10,139,658	-2.6%
All Other Taxes	1,848,064	468,210	-74.7%
Total Taxes	<u>1,090,433,964</u>	<u>970,613,581</u>	<u>-11.0%</u>
Other Revenues			
Business Licenses	1,117,787	1,013,707	-9.3%
Fees	38,567,753	37,186,493	-3.6%
Services	2,780,765	2,276,792	-18.1%
Fines, Forfeits & Penalties	2,718,947	4,163,363	53.1%
Interest, Prem	3,439,608	3,092,711	-10.1%
Special Assessments	0	0	0.0%
All Other Revenues	3,223,064	108,919	-96.6%
Total Other Revenues	<u>51,847,925</u>	<u>47,841,986</u>	<u>-7.7%</u>
Health Care Revenues			
Health Care Taxes and Assessments	<u>0</u>	<u>239,174,402</u>	<u>100.0%</u>
Total General Fund	<u><u>1,142,281,888</u></u>	<u><u>1,257,629,969</u></u>	<u><u>10.1%</u></u>

Date: May 05, 2020

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**Comparative Statement of Revenues
Transportation Fund
As of April 30, 2020**

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% of Change</u>
Non-Dedicated Taxes			
Gasoline	65,455,192	63,141,230	-3.5%
Diesel Fuel	15,532,437	15,416,777	-0.7%
MV Purchase & Use	58,154,031	58,077,887	-0.1%
Total Taxes	139,141,661	136,635,894	-1.8%
Other Revenues			
Motor Vehicle Fees	68,274,885	66,631,483	-2.4%
Other	19,348,522	17,801,131	-8.0%
Total Other Revenues	87,623,407	84,432,614	-3.6%
Total Non-Dedicated	226,765,068	221,068,508	-2.5%
Dedicated			
Federal Aid	218,086,110	247,223,511	13.4%
Infrastructure Bond Fund Revenue ▲ 415484	14,235,642	13,047,909	-8.3%
Transportation Impact Fee ▲ 415470	158,151	187,294	18.4%
Other	1,989,552	2,660,365	33.7%
Total Dedicated	234,469,455	263,119,080	12.2%
Total Transportation Fund	461,234,523	484,187,588	5.0%

Prepared by Department of Finance & Management

Date: May 05, 2020

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State of Vermont
Comparative Statement of Revenues
Education Fund
As of April 30, 2020

	<u>Total to Date</u> <u>Last Year</u>	<u>Total to Date</u> <u>This Year</u>	<u>% of Change</u>
Non-Dedicated			
Estimated Revenues:			
Sales & Use Tax	348,128,030	366,484,788	5.3%
Meals & Rooms Tax	39,438,098	38,002,683	-3.6%
Purchase & Use Tax	29,077,016	29,038,944	-0.1%
Lottery Transfer	22,187,433	20,415,785	-8.0%
Investment Income	575,508	816,635	41.9%
Total estimated revenues	<u>439,406,085</u>	<u>454,758,836</u>	<u>3.5%</u>
Other Revenues:			
Education Property Taxes	90,682,870	93,421,465	3.0%
Electric Energy Educ Prop Tax	0	0	0.0%
Uniform Capacity Tax	1,296,314	1,145,080	-11.7%
Medicaid Reimbursement	0	0	0.0%
All Other Revenues	552,132	400,342	-27.5%
Total other revenues	<u>92,531,316</u>	<u>94,966,887</u>	<u>2.6%</u>
Total Education Fund	<u><u>531,937,401</u></u>	<u><u>549,725,723</u></u>	<u><u>3.3%</u></u>

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